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Australia

Livestock and Products

Beef Export Update

2004

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Report Highlights:

Australia's beef exports are rising, particularly to major North Asian markets, as strong export demand brought on by the absence of U.S. competition continues to boost shipments. Beef exports to Japan and Korea are up sharply in the first five months of 2004, while exports to the United States and Canada are lower. Beef exports to Japan and Korea in January-May 2004 were 31 percent and 39 percent higher, respectively, than the year-earlier period.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Canberra [AS1]
[AS]

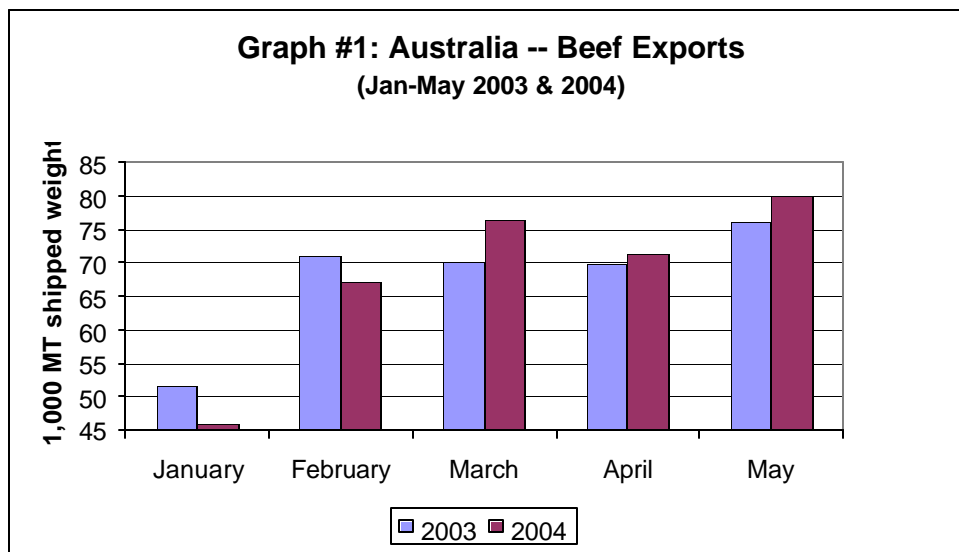
Beef Export Update

Australia's beef exports are rising, as strong export demand continues to boost shipments. However, total beef exports during the first five months of 2004 (341,383 MT, shipped weight) are up less than one percent from the same period a year earlier. Monthly beef exports in May reached the highest level thus far in 2004, up nine percent from the April figure and five percent higher than in May 2003. Australia's beef exports in 2004 have totaled 45,965 MT in January, 67,266 MT in February, 76,598 MT in March, 71,476 MT in April, and 80,078 MT in May. (Graph #1)

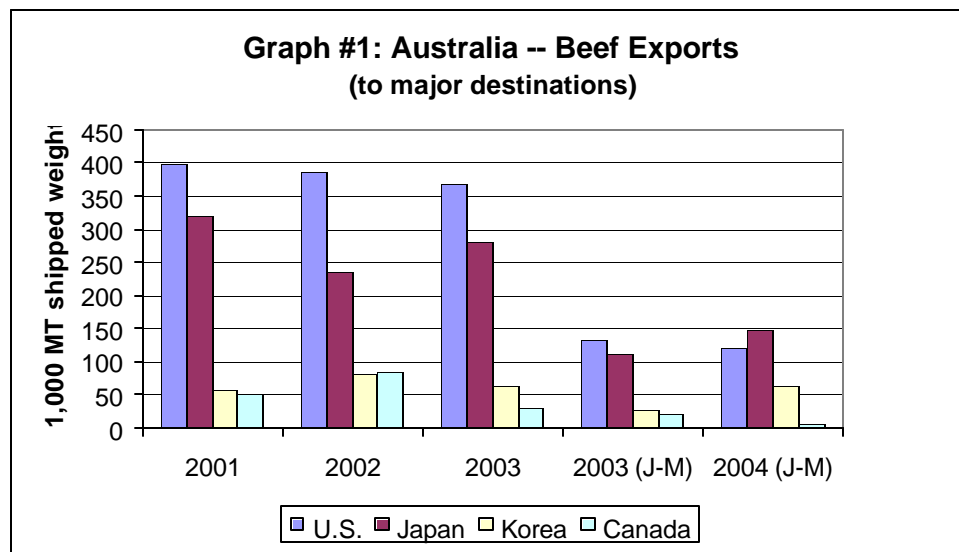
Beef exports to Japan and Korea are up sharply in the first five months of 2004, while exports destined for the United States and Canada are lower, versus the year earlier period. Beef exports to Japan during the first five months of 2004 totaled 147,345 MT, 31% higher than a year earlier, while shipments to Korea totaled 38,907 MT, up by 39%. In this five-month period, Japan replaced the United States as Australia's largest beef export market, in volume terms. For North America, January-May 2004 shipments to the United States totaled 121,724 MT, down nine percent, while exports to Canada totaled 2,519 MT, 88% lower than the 20,635 MT shipped in the year-earlier period. (Graph #2)

Australia's beef exports to Japan and Korea year-to-date are 35,000 MT and 11,000 MT higher, respectively, than the comparable period of 2003. Export prospects to these markets for the remainder of the year will depend critically on developments related to the re-opening of these markets to U.S. beef. A more prolonged absence of U.S. beef in Japan will likely result in Australia's 2004 beef exports to Japan rising more than the 50,000 to 75,000 MT (carcass weight equivalents) forecast in Post's Livestock and Products Semi-Annual Report (AS4003, 02/19/04). (Post uses a conversion factor of 1.43 to convert shipped weight to carcass weight equivalents.)

Exports to Australia's other leading Asian markets have dipped thus far in 2004. Beef shipments to Taiwan, Indonesia and the Philippines dropped seven percent, 43% and 72%, respectively, during the first five months of 2004. Presumably, beef that would have usually been exported to these destinations is being diverted to Japan and Korea.



Source: ABARE.



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